

FRAGRANCE AND PERSONAL CARE

Este Lauder's net sales grow 9pc in 2019

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Tom Ford Research includes highly concentrated skincare products. Image courtesy of Tom Ford

By STAFF REPORTS

Beauty group Este Lauder Companies' sales increased in the 2019 fiscal year, with the Este Lauder, La Mer and Tom Ford Beauty lines driving growth in several regions.

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For the fiscal year ended June 30, the company's net sales totaled \$14.86 billion, up 9 percent year-over-year, or 12 percent on a constant currency basis. During the fourth quarter, the group also saw a 9 percent increase in sales year-over-year, nearly hitting \$3.6 billion in net sales.

"Fiscal 2019 was an outstanding year for our company," said Fabrizio Freda, president/CEO of Este Lauder, in a statement. "We achieved strong net sales gains across our business, fueled by investments in our strategic priorities, including improved data analytics that helped power our innovation and digital marketing.

"With savings from our Leading Beauty Forward initiative and cost discipline throughout the organization, we grew profit far ahead of our net sales growth, while also investing in our strategic priorities," he said. "Our results were particularly impressive given macro volatility and challenges in several key markets demonstrating our successful strategy of multiple engines of growth and our agility to reallocate resources to the best opportunities."

Skincare strength

Along with its star brands of Este Lauder, La Mer and Tom Ford Beauty, the group's growth was attributed to skincare and demand in Asia Pacific.

The Este Lauder brand saw double-digit sales growth in all regions, propelled by its core skincare offerings. La Mer also saw double-digit growth.

Skincare was the group's strongest category, with 17 percent growth in fiscal 2019.



Este Lauder's #TheNightIsYours focuses on skincare. Image credit: Este Lauder

Tom Ford is joining Este Lauder and La Mer with its own innovative skincare products as skincare continues to drive growth across the sector.

Tom Ford Research, the result of work by scientists at the label's own research facility, is being presented with the tagline "skincare for the 21st century." Geared for both men and women, marketing around the launch emphasizes Tom Ford's high scientific standards and features a diverse group of fresh-faced models ([see story](#)).

Makeup growth was driven by Este Lauder, M.A.C, Tom Ford Beauty and La Mer.

In particular, Tom Ford Beauty grew by double-digits, driven by success in Asia Pacific and other emerging markets. Tom Ford Beauty also launched on Tmall this April, increasing its reach in China.

Fragrances was the weakest category for the Este Lauder brand, but the group saw growth led by Jo Malone London, Tom Ford Beauty, Le Labo and By Kilian.

The company's sales in the Americas declined 5 percent year-over-year, but this drop was offset by 25 percent sales growth in Asia Pacific and an 18 percent bump in net sales in Europe, the Middle East and Africa.

Looking ahead to the next quarter, the group expects sales growth between 9 and 10 percent. However, the company remains wary of trade tensions, Brexit and continued protests in Hong Kong.

"Prestige beauty continues to be one of the most desirable consumer sectors," Mr. Freda said. "As the best diversified pure play in the industry, we are uniquely positioned to capture global share.

"In fiscal 2020, we plan to continue to invest in the most compelling opportunities, including those in emerging markets beyond China," he said. "We expect another year of strong net sales growth, margin improvement and a double-digit increase in earnings per share."